RECLAMATION COST ESTIMATION SUMMARY SHEET

This cost estimation summary sheet is provided to assist the operator and BLM in calculating the reclamation cost estimate. The summary sheet is designed to accompany the Reclamation Cost Checklist. The summary sheet is not all inclusive nor is it required.

Notice [ ] Plan of Operations [ ] BLM Case-file No. 362289

Project Name: Neighbor Mine

Enter those values in the cost estimate that are appropriate to this project. All reclamation costs are to be calculated as third party contracts. This summary sheet is to be accompanied by a worksheet describing how each itemized cost was calculated.

A. EARTHWORK/RECONTOURING

ITEM	LABOR[1]	EQUIPMENT	MATERIALS	TOTAL
1. Roads	$ 300	$ 300	$ ~~100~~	$
2. Drill Site(s)	$ 300	$ 200	$	$
3. Drill Hole Abandonment[2]	$ 300	$ 200	$ 300	$
4. Pits/Adits/Trenches	$ 300	$ 200	$	$
5. Process Ponds	$	$	$	$
6. Heaps	$	$	$	$
7. Dumps (Waste & Landfill)	$ 200	$ 300	$	$
8. Tailings	$	$	$	$
9. Structure & Building Areas	$	$	$	$
10. Storage & Equipment Areas	$	$	$	$
11. Drainage Control	$ 300	$ 100	$	$
12. Mobilization/Demobilization	$	$	$	$
13. Miscellaneous[3]	$	$	$	$
SUBTOTAL	$ 1700	$ 1100	$ 300	$ 3100

B. REVEGETATION/STABILIZATION

ITEM	LABOR[1]	EQUIPMENT	MATERIALS	TOTAL
1. Roads	$ 60	$	$ 100	$
2. Drill Site(s)	$ 60	$	$ 50	$
3. Pits/Adits/Trenches	$	$	$	$
4. Process Ponds	$	$	$	$
5. Heaps	$	$	$	$
6. Dumps (Waste & Landfill)	$ 300	$ 300	$ 300	$
7. Tailings	$	$	$	$
8. Structure & Building Areas	$	$	$	$
9. Storage & Equipment Areas	$	$	$	$
10. Drainage Control	$	$	$	$
11. Monitoring	$	$	$	$
12. Miscellaneous[3]	$	$	$	$
SUBTOTAL	$ 420	$ 300	$ 450	$ 1170

C. **DETOXIFICATION/WATER TREATMENT/DISPOSAL OF WASTES**

ITEM	LABOR[1]	EQUIPMENT	MATERIALS	TOTAL
1. Process Ponds/Sludge	$	$	$	$
2. Heaps	$	$	$	$
3. Dumps (Waste & Landfill)	$	$	$	$
4. Tailings	$	$	$	$
5. Surplus Water Disposal	$	$	$	$
6. Fluid Management[4]	$	$	$	$
7. Monitoring	$	$	$	$
8. Miscellaneous[3]	$	$	$	$
SUBTOTAL	$	$	$	$ none

D. **STRUCTURE, EQUIPMENT AND FACILITY REMOVAL**	LABOR[1]	EQUIPMENT	MATERIALS	TOTAL
	$ 300	$ 200	$	$ 500

E. **HAZARDOUS MATERIALS**[5]	LABOR[1]	EQUIPMENT	MATERIALS	TOTAL
	$	$	$	$

F. **MITIGATION**[6]	LABOR[1]	EQUIPMENT	MATERIALS	TOTAL
	$	$	$	$

G. **SUBTOTAL – OPERATIONAL & MAINTENANCE COSTS**
(A through F) $ _____ $ _____ $ _____ $ 4770

H. **ADMINISTRATIVE COSTS**

1. Engineering, Design and Construction (ED&C) Plan[7] – small, uncomplicated - no plan necessary	$ 477
2. Contingency[8]	$
3. Insurance[9] (On Site Liability)	$
4. Bond[10] (Performance and Payment)	$ 50
5. Contractor Profit[11]	$ 477
6. BLM Contract Administration[12]	$ 287
7. BLM Indirect Cost[13]	$ 60
SUBTOTAL	$ 1351

I. **GRAND TOTAL**
(G and H) $ 6121

Attach sources/information used in cost estimate (examples: Caterpillar Performance Handbook, contractor's estimate, BLM state office procurement analyst, etc.).

RECLAMATION COST ESTIMATION SUMMARY SHEET FOOTNOTES

1. Federal construction contracts require Davis-Bacon wage rates for contracts over $2,000. Wage rate estimates may include base pay, payroll loading, overhead and profit. To avoid double counting of any of the identified administrative costs the operator must itemize the components of their labor cost estimates or provide BLM with a signed statement, under penalty of USC 1001, that identifies what specific administrative costs are included in the quoted hourly rate.

2. The reclamation cost estimate must include the estimated plugging cost of at least one drill hole for each active drill rig in the project area. Where the submitted Notice or approved Plan of Operations calls for drill holes to be plugged, but doesn't specifically require the drill holes be plugged before the drill rig has been moved from the drill pad, the reclamation cost estimate must include the plugging cost for those drill holes. For all drill holes and wells scheduled to be left open, the estimated plugging cost must be included in the reclamation cost estimate. Where the approved Plan of Operations proposes immediate mining through an area where the drilling is to occur, and the cost of the post-mining reclamation is included in the reclamation cost estimate, the cost estimate does not need to include the plugging costs for those drill holes.

3. Miscellaneous items should be itemized on accompanying worksheets.

4. Fluid management should be calculated only when mineral processing activities are involved. Fluid management represents the costs of maintaining proper fluid management to prevent overflow of solution ponds through premature cessation or abandonment of operations. Calculate a minimum six month direct cost estimate which includes power, supplies, equipment, labor and maintenance.

5. Handling of hazardous materials includes the cost of decontaminating, neutralizing, disposing, treating and/or isolating all hazardous materials used, produced, or stored on the site.

6. Any mitigation measures required in the Plan of Operations must be included in the reclamation cost estimate. Mitigation may include measures to avoid, minimize, rectify and reduce or eliminate the impact, or compensate for the impact.

7. Engineering, design and construction (ED&C) plans are often necessary to provide details on the reclamation needed to contract for the required work. To estimate the cost to develop an ED&C plan use 4-8% of the O&M cost. Calculate the ED&C cost as a percentage of the O&M cost as follows: up to and including $1 million, use 8%; over $1 million to $25 million, use 6%; and over $25 million, use 4%. Inclusion of a line item for the development of an ED&C plan may not be necessary for small operations, such as notice-level exploration. With small, uncomplicated reclamation efforts contracting may be able to proceed without developing an ED&C plan.

8. A contingency cost is included in the reclamation cost estimation to cover unforeseen cost elements. Calculate the contingency cost as a percentage of the O&M cost as follows: up to and including $500,000, use 10%; over $500,000 to $5 million, use 8%; over $5 million to $50 million, use 6%; and greater than $50 million, use 4%. As with the ED&C cost, inclusion of a contingency cost may not be necessary for small operations, such as notice-level exploration.

9. Insurance premiums are calculated at 1.5% of the total labor costs. Enter the premium amount if liability insurance is not included in the itemized unit costs.

10. Federal construction contracts exceeding $100,000 require both a performance and a payment bond (Miller Act, 40 USC 270et *seq.*). Each bond premium is figured at 1.5% of the O&M cost. Enter the sum of both premium costs on this line.

11. For Federal construction contracts, use 10% of estimated O&M cost for the contractor's profit.

12. To estimate the contract administration cost, use 6 to 10% of the operational and maintenance (O&M) cost. Calculate the contract administration cost as a percentage of the O&M cost as follows: up to and including $1 million, use 10%; over $1 million to $25 million, use 8%; and greater than $25 million use 6%.

13. BLM's indirect cost rate is 21% of BLM's contract administration costs.

Reclamation Cost Work sheet

A Earthwork

Roads - It will take 1 man 1 day to construct waterbars and scarify the road using a loader or tractor

Drill sites - same as above

Drill Hole abandonment - 1 man 1 day to scarify & plug drill holes using tractor and cement mixer & concrete

pits/adits - 1 man 1 day to close the portal using a loader

Dumps - 1 man 1/2 day to smooth out west rock pile

Drainage - 1 man 1 day to clean out ditches & construct waterbars using a tractor

B Revegetation

Roads - 1 man 2 hours to scatter seed & seed

Drill sites - 1 man 2 hours to scatter seed & seed

Dumps - 1 man ~~4 hours~~ 1 day to scatter seed & add topsoil purchase seed & soil

D structure/Equipment removal

It will take 1 man 1 day to remove all of the structures & equipment that we will use for this project - no permanent structures will be constructed.

H Administative

contingency - 10% of O&M allowed for overrun

~~Insurance~~ Bond - 1% of O&M allowed for premiums

Contractor profit - 10% of O&M

BLM Administration - 6% of O&M

All labor figured at 30$/hr for a laborer (plus payroll taxes, insurance, etc)
Equipment @ 25$/hr